

EARLY CHILDHOOD CONTINUOUS ELIGIBILITY

Ensuring Children Have Access to Health Care Coverage During the Most Critical Years: Medicaid and CHIP Continuous Eligibility Through Age 5

Children have unique health care needs and continuous coverage throughout childhood is essential for their healthy development. In the U.S, Medicaid and the Children's Health Insurance Program (CHIP) cover about 41 million children,¹ more than half of all children in the country. During their earliest years, children's biological systems and brains develop rapidly, influencing their health over their lifetime.² Access to health care coverage during this early period sets the stage for a child's health, academic, and economic future.

Beginning in 2024, all states must provide 12 months of continuous coverage to children in Medicaid through the Consolidated Appropriations Act, 2023. This measure offers an excellent first step toward reducing coverage gaps. However, studies show that more than 11% of all children who are eligible for re-enrollment will still experience a lapse in coverage, sometimes for as long as a year.³ Offering five-year continuous coverage is a reliable way to ensure that children do not experience these lapses and that they remain covered throughout the most important years of their development. Currently, states that want to provide continuous eligibility can request a federal waiver but the process is often burdensome and requires renewal every five years.

Benefits Of Continuous Coverage Through Age 5

Having uninterrupted health care coverage from birth to age 6 is crucial for children's healthy development. Continuous eligibility allows them to receive:

- **Regular, routine check-ups:** During these first five years, children need regular, routine checkups. These visits ensure that any social, emotional, or developmental delays are detected early and before beginning school.⁴
- **Consistent vaccinations:** Access to care allows children to receive critical vaccine series and boosters that will help them develop strong immune systems for life.
- **Early detection of conditions:** Many Medicaid and CHIP plans specifically provide comprehensive coverage for children through the Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) benefit, which allows them to receive preventative and specialty care that can prevent long-term harm
- **Equitable health care coverage:** Children who are Black, Latino, or multi-racial are more likely to be enrolled in Medicaid or CHIP, so providing continuous eligibility for these programs until age 6 would ensure these children are entering school on the same footing as their white peers.⁵

Continuous eligibility protects families with a low income or who have less education, who are more susceptible to going off and on coverage, known as "churn."⁶

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Gaps in both coverage and access to care can be detrimental to a child's development. Even a short gap in coverage can harm a child by reducing their access to necessary care.⁷ If a coverage gap is prolonged, families may face expensive medical bills or may push off their child's care due to high out-of-pocket costs.

Continuous Eligibility Benefits State and Federal Governments

When children stay insured, state and federal governments reap the rewards, including:

- **Reduced churn, which reduces administrative costs:** "Churn" costs an average administrative fee of \$400-\$600 per beneficiary.⁸ States that provide continuous eligibility could invest money currently spent on renewals and administration on other aspects of children's coverage or on other state programs.
- **Reduced state health care costs:** Churn can cause health issues to go undetected or unmanaged, requiring the state to pay for more complicated and expensive care in the long run.⁹ According to one study, children who are enrolled in Medicaid longer cost a state less money monthly.¹⁰
- **Improved economic outcomes:** Children who grow up with Medicaid/CHIP coverage do better in school, make more money, pay more taxes as adults, and have fewer health complications later in life.¹¹ By investing in children's continuous eligibility now, state and federal governments will reap the financial benefits in later years. Research from the Congressional Budget Office shows that these returns on investment can offset more than 50% of the costs of the Medicaid program.¹²

Conclusion

The future and success of our country depend on how the U.S. invests in its children. Continuous eligibility until age 6 is a valuable investment in children's health and well-being, and creates generations of healthy and financially independent adults.¹³ We encourage Congress to pass legislation that allows all children access to consistent health care coverage.

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Endnotes

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